

## Message Text

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PAGE 01 CALGAR 00022 172113Z

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 FEA-02 INT-08 SCI-06 SS-20 PA-04

PRS-01 USIA-15 TRSE-00 COME-00 NSC-10 FPC-01 CIAE-00

INR-10 NSAE-00 RSC-01 L-03 H-03 OMB-01 CIEP-02 CEA-02

DRC-01 SSO-00 /127 W

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R 171915Z JAN 74

FM AMCONSUL CALGARY

TO SECSTATE WASHDC 906

INFO AMEMBASSY OTTAWA

UNCLAS CALGARY 022

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJECT: PRICE OF ALBERTA NATURAL GAS TO CALIFORNIA DOUBLES.

1. THE PRICE OF ALBERTA NATURAL GAS PURCHASED BY ALBERTA AND SOUTHERN GAS COMPANY LTD. FOR SALE IN CALIFORNIA MARKETS WILL DOUBLE BY JULY 1. PREMIER LOGHEED ANNOUNCED AT AN EDMONTON NEWS CONFERENCE ON JANUARY 15 THAT THE INCREASE IS THE RESULT OF RECENT ALBERTA GOVERNMENT ACTION AND WILL BENEFIT THE ALBERTAN ECONOMY \$125 MILLION ANNUALLY, TO BE SHARED BY PROVINCIAL REVENUES AND EXPLORING COMPANIES. HE CALLED DEVELOPMENT "MAJOR STEP FORWARD" IN ALBERTA'S NATURAL GAS PRICING EFFORTS WHICH WILL HAVE POSITIVE IMPACT ON INCENTIVE TO EXPLORE EVEN WITH HIGHER GAS ROYALTIES TO BE ANNOUNCED SOON.

2. THE AVERAGE INCREASE IN THE FIELD PRICE FOR NATURAL GAS PURCHASED BY ALBERTA AND SOUTHERN WILL BE FROM 28C TO 56C PER THOUSAND CUBIC FEET, BRINGING PRICE AT ALBERTA-UNITED STATES BORDER TO 70C. MORE THAN HALF IN VOLUME OF ALBERTA AND SOUTHERN TOTAL SUPPLIERS HAVE ALREADY AGREED TO NEW CONTRACT TERMS TO

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TAKE EFFECT JULY 1 AT THE LATEST WHICH PROVIDE FOR FURTHER

RENEGOTIATION WITHIN ONE YEAR. ALBERTA AND SOUTHERN, WITH  
VOLUME OF 1.2 BILLION CUBIC FEET PER DAY, PURCHASES ABOUT  
27 PERCENT OF NATURAL GAS LEAVING ALBERTA.

3. PROPOSED PLAN FOR NATURAL GAS REBATE TO ALBERTA CONSUMERS  
WILL BE PRESENTED AT SPRING SESSION OF ALBERTA LEGISLATURE.

4. OIL INDUSTRY REPRESENTATIVES IN CALGARY DESCRIBE NATURAL GAS  
PRICE INCREASE AS SIGNIFICANT INCENTIVE WHICH SHOULD ENCOURAGE  
EXPLORATION BUT TOTAL EFFECT AWAITS ROYALTY DECISION.  
PULVER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, PRICES, GASES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Subject:** PRICE OF ALBERTA NATURAL GAS TO CALIFORNIA DOUBLES.  
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**To:** STATE  
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